

Texas Department of Insurance
Notice of Workers Compensation Filing:
National Council on Compensation Insurance *Item E-1404*

Description:

- The National Council on Compensation Insurance (NCCI) filed *Item E-1404—Establishment of a Methodology to Calculate Experience Rating Premium Eligibility Amounts*.
- *Item E-1404* is a national filing that revises Rule 2-A-2—State Table of Subject Premium Eligibility Amounts. The revised table reflects each state's current and proposed premium eligibility amounts by rating effective date. To produce the revised table, NCCI used an indexing methodology based on the year-to-year change in a state's average weekly wage, as estimated by the Bureau of Labor Statistics Quarterly Census of Employment and Wages.
- In Texas, a risk currently qualifies for experience rating if it has \$10,000 in premium over the most recent 24 months of the experience period, or an average annual premium of at least \$5,000 if there are more than 24 months in the experience rating period.
- *Item E-1404* would change the premium eligibility amounts to \$10,500 or \$5,250 for risks with rating effective dates on or after January 1, 2018. Some risks may then no longer qualify for experience rating as a result of the change.

Affected NCCI Manual:

- *Experience Rating Plan Manual for Workers Compensation and Employers Liability Insurance (Experience Rating Plan Manual)*

Effective Date: The filing proposes that the changes in *Item E-1404* apply to risks with rating effective dates on or after six months following the loss cost filing effective date. Because the next Texas loss cost filing will be effective on July 1, 2017, *Item E-1404* would apply to Texas risks with rating effective dates on or after January 1, 2018.

Review and Comment:

- TDI prepared this notice. You may review a copy of NCCI's filing in the Office of the Chief Clerk of the Texas Department of Insurance, 333 Guadalupe Street, Austin, Texas 78701; or on the TDI website at www.tdi.texas.gov/rules/2015/nccimanual.html.
- To comment on the filing or to request a hearing, please submit two copies of your comments or hearing request by 5 p.m., Central time, on August 31, 2016. Refer to TDI ECase No. 10478 in your comment or request.
 - Send one copy to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, Mail Code 113-2A, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104.

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- Send the other copy to Marianne.Baker@tdi.texas.gov, or to Marianne Baker, Property and Casualty Lines Office, Mail Code 104-PC, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104.

Procedure: NCCI filed *Item E-1404* (TDI ECase No. 10478; SERFF Tracking No. NCCI-130337313) with the Texas Department of Insurance on December 1, 2015, under the workers compensation manual rule filing procedure adopted in Commissioner's Order No. 3142, dated March 21, 2014.

Issued in Austin, Texas on July 27, 2016.

A handwritten signature in cursive script, appearing to read "Norma Garcia", is written over a horizontal line.

Norma Garcia, General Counsel
Texas Department of Insurance